

Frequently asked questions from contractors

- 1) Q: Are there any exemptions from having to adhere to prevailing wage requirements (Davis-Bacon Act)?**

A: Regulations governing the American Recovery and Reinvestment (ARRA) dictate that in order for the Maryland Energy Administration to award an applicant a renewable energy grant using ARRA funds, the contractor performing the installation must ensure that all workers on that particular job be paid at minimum, the prevailing wage. The only exemption to this regulation is if the complete installation cost (the amount the applicant paid the contractor for all services rendered) is \$2,000 or less.

- 2) Q: What should my wage determination be, since I went to the Department of Labor's Davis-Bacon listing and could not find a breakout for labor that most closely resembles my services?**

A: The Department of Labor has yet to issue prevailing-wage rates for installers of renewable energy equipment such as solar panels, geothermal heat pumps, and wind turbines. At this point, the Department of Energy has advised MEA that contractors should select the prevailing-wage rate for the position description that best fits the project being completed. Please consult the prevailing-wage rate table for the county in which your project is located, review the available wage rate determinations and select the wage determination that best fits. (<http://www.wdol.gov/dba.aspx#0>)

- 3) Q: In Part C of the Completion Certificate is a section for subcontractors? Is that to be filled out only if our company subcontracts out an entire installation, or if any part of the installation is subcontracted out?**

A: If any aspect of the installation is subcontracted, (i.e. electrician, plumber, well driller, etc) they will need to fill out Part C of the Completion Certificate as well as document that their wage rate is Davis-Bacon compliant. You may attach extra sheets to the Completion Certificate if you need more space to provide subcontractor information.

- 4) Q: If we subcontract multiple aspects of an installation (i.e. electrical, excavation, cement work, etc) do all the subcontractors need to document that they are Davis-Bacon Act compliant, or only the main subcontractor?**

A: All subcontractors working on a project must need to document that they are Davis-Bacon compliant. This documentation can be provided by the various subcontractors to the main subcontractor, who could then provide the collected documents to the contractor.

- 5) Q: It appears MEA is requiring the applicant (homeowner) to submit the certified payroll documents of their contractor with their Completion Certificate; we have no problem complying with Davis-Bacon requirements, but have serious reservations of handing over payroll documents to our customers. How do we go forward?**

A: If you prefer, you may submit the certified payroll documents on behalf of your customer, just please signify the customers name and address on the payroll documents so we can correspond to the correct application. You can also submit the certified payroll documents to your customer in a sealed envelope with instructions to the customer to submit the sealed envelope to MEA with his/her Completion Certificate.

- 6) Q: We need to report jobs created and jobs retained per project, what exactly are you asking for?**

A: The federal government has defined jobs created as a newly created position or an existing unfilled position that is filled and paid in whole or in part with federal stimulus funds (i.e. the grant from MEA to your customer). A job retained is an existing position that would not have continued to be filled without the federal stimulus funds. A job cannot be both created and retained. Therefore, if the federal stimulus funds enabled you to create a new position for an installation project, or retain an employee who would have otherwise been let go if the federal stimulus funds were not available, you should report this as a job created or retained, as the case may be.

- 7) Q: If I had started an installation before MEA posted the new requirements, will the applicant still be eligible for a grant if I am unable to document Davis-Bacon compliance for the entire duration of the installation?**

A: MEA has been informed by the Department of Energy that applicants may receive grants for already completed installations, or installations that were in the process of being completed while MEA posted the grant program's new ARRA requirements. But, contractors will still need to submit certified Davis-Bacon payroll documents showing the wages for the installation, and if workers were not paid the prevailing wage rate for that particular installation, the contractor must go back and pay the worker(s) the difference to meet the prevailing wage, in order for MEA to award the grant to the applicant using ARRA funds.

- 8) Q: If I am unable to certify compliance with Davis-Bacon Act requirements, or unable to generate payroll documents for a certain project, does that mean the applicant will be un-eligible for grant funding.**

A: The only funding available for the remainder of this fiscal year is from ARRA (the federal stimulus act), which means that if a contractor cannot verify Davis-Bacon compliance for a certain project, the applicant for whom the contractor is working will have to wait until at least July, 2010, when non-federal funds become available for this program.

9) Q: If an applicant goes ahead and installs prior to receiving grant approval, does that mean they are no longer eligible for funding?

A: No, if an applicant installs prior to receiving a grant offer letter from MEA, they will still be eligible to receive a grant as long as the installation was performed in compliance with Davis-Bacon Act requirements pertaining to federal prevailing-wage rates. If the installation was not performed in compliance with Davis-Bacon Act requirements, the applicant may be still be eligible for an MEA grant, but not until the next fiscal year.

10) Q: Do we need to include the *ARRA Addendum – Special Terms and Conditions for ARRA funded Grants* with prospective applicant's contracts?

A: Each applicant must sign, date and submit to MEA the *Grant Program Terms and Conditions*. By signing this form, the applicant certifies that he/she has read and understands the *ARRA Addendum – Special Terms and Conditions for ARRA Funded Grants*. The ARRA Addendum itself does not need to be submitted to MEA by applicants. Note, however, that the ARRA Addendum contains provisions that are to be incorporated into any contract between an applicant and his/her contractor(s).

11) Q: In the *ARRA Addendum – Special Terms and Conditions for ARRA funded Grants*, it states that recipients of grants need to report special data to MEA no later than the 5th of each month, are we supposed to submit this data on behalf of our customers to MEA each month?

A: Much of the requested information can be provided on the customer's Completion Certificate, submitted to MEA. You will need to assist your customer in filling out the Completion Certificate with the requested information. If you complete a given installation project in a given month and all requested information is submitted to MEA, you will not need to submit additional reporting information on that particular project for subsequent months. If a project is ongoing, spanning more than one month, multiple monthly reports for that project will have to be submitted to MEA.

12) Q: Will the Davis-Bacon fair wage poster be required to be posted at every installation we do?

A: Yes, the Davis-Bacon poster must be posted at every work site.

13) Q: Do Davis-Bacon wage determinations apply to the location of each install or only apply to the location of the employer?

A: Davis-Bacon wage determinations apply to the location of the installation project.

14) Q: One of our subcontractors is in business for him/herself, and we have previously been paying him/her a flat fee per installation, does this mean they too need to be paid Davis-Bacon wages in order for the installation be grant eligible?

A: Yes, if the subcontractor is working directly on the installation project, he/she will have to be paid Davis-Bacon wages, and you will need to submit certified weekly payroll records indicating that the correct wages have been paid.

15) Q: Is project start date, the date the crew arrived on site to begin installation, or the date the contract was signed by the applicant?

A: The date the crew arrived on site to begin its work.

16) Q: If customer of mine had already submitted an application, will they need to submit any additional documents to keep themselves eligible for a grant?

A: Yes, applicants who have already applied will still need to sign and date the revised *Grant Program Terms and Conditions* and submit this document to MEA.